



# Wisconsin Utility Investors, Inc. Legislative/Regulatory Update

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## **WISCONSIN GOVERNOR SIGNS BUDGET REPAIR BILL**

Gov. Jim Doyle has signed the Budget Repair Bill (SB-39), now known as 2007 Act 5. The act increased funding for child-care services through Wisconsin Shares and supports the Department of Justice's efforts to address the backlog at the State Crime Lab. In addition to technical corrections to the previous budget, the bill provides \$30 million to address a shortfall in the Wisconsin Shares child care services program that serves low-income children. It also authorizes 31 new positions for the State Crime Lab within the Department of Justice, as well as providing \$96,600 to immediately recruit and hire staff to address the current backlog of DNA analysis. Although the Governor had proposed a number of transfers from segregated accounts to the general fund, the Legislature removed a majority of these. Legislative work now continues on the new biennial budget.

## **WISCONSIN DEPARTMENT OF NATURAL RESOURCES PROPOSES INCREASED MERCURY REGULATION**

Staff at the State Department of Natural Resources have proposed new regulations that would lead to a 90 percent reduction in mercury output at electric generating plants in Wisconsin by 2020. After prolonged negotiations, utilities had agreed to reductions in the 75 to 80% range. Federal clean air rules would require reductions of 69%. The seven-member Natural Resources Board reviewed the proposed regulations on March 28 and approved holding hearings, subject to reviews and a board seminar on the mercury problem. If approved, the proposed rule changes would head to the Legislature as part of the legislative rule-making oversight process where they face a certain fight. WUI opposes the overly stringent proposal. Without a national solution, the state rule will do nothing to improve the Wisconsin environment and greatly increase utility costs.

## **PUBLIC SERVICE COMMISSION REJECTS CALLS FOR A NEW DANE COUNTY TRANSMISSION LINE STUDY**

Rejecting calls from the Madison area's top elected officials, state regulators have said they will not conduct a comprehensive independent study of electricity and energy needs in Dane County. Madison Mayor Dave Cieslewicz, Dane County Executive Kathleen Falk and the chairman of the County Board all asked the state Public Service Commission to take a broader look at the county's energy needs after more than 152,000 voters in the county supported a study in a referendum last fall. A study would help assess whether power lines American Transmission Co. plans to build in and around the Madison area are needed, supporters said. The Pewaukee-based transmission utility is expected to announce later this year the two preferred routes it plans to submit to regulators for a 345,000-volt power line that would cross Dane County and could cost up to \$200 million. The project is among the most controversial of power line projects ATC has proposed across the state. Commissioners said the study isn't needed because the agency's engineers and technical experts will conduct an independent review of the need for each power line ATC proposed.

## **STATE TO CONTINUE NUISANCE SUIT AGAINST CRANBERRY INDUSTRY**

In a matter closely watched by utilities, the new Attorney General had announced that the Wisconsin Department of Justice would withdraw its appeal of a lawsuit against a Wisconsin cranberry grower. However, such a decision required the Governor's approval, which was not granted. The state's appeal will continue and the Governor has appointed special counsel David Gilles, a private practice attorney and former assistant Attorney General under then AG Jim Doyle, to pursue the matter.

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**NUISANCE SUIT — CONTINUED**

In April 2006, a Bayfield County Judge dismissed the nuisance suit, ruling that the cranberry grower's farming practices were not unreasonable and did not impact the water to such a degree as to create a public or private nuisance. The unsuccessful plaintiffs are now appealing that decision. The use of nuisance charges is of interest to utilities because they have been brought even though the target industry is meeting all environmental regulations. A previous nuisance lawsuit involving Xcel Energy was dismissed as having no merit.

**WE ENERGIES PURCHASES TURBINES FOR  
BLUE SKY GREEN FIELD WIND PROJECT**

We Energies has purchased 88 wind turbines from Vestas Wind Systems for construction of the Blue Sky Green Field wind project in Fond du Lac County. Each Vestas V82 turbine is capable of producing 1.65 megawatts of electricity for a project total of 145 megawatts, enough energy to power approximately 36,000 homes. This represents the state's largest wind project to date.

Construction is expected to begin in summer 2007 and will take approximately one year to complete. Six months will be needed for site preparation and the installation of turbine foundations and cabling. An additional six months will be required for turbine erection, assembly, and commissioning. Vestas relationship with We Energies began in 1999 with the purchase of wind turbines located in the town of Byron.

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